28 November 2025

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Investment Idea / IPO Note

Foodie Media Berhad

Scaling the Digital Stage

By Crystal Chin

BUY

IPO Price: RM0.30

Fair Value: RM0.39

Foodie Media Berhad (FOODIE: 0382), focuses on digital media publishing, creating and producing lifestyle-oriented content across Southeast Asia on major social media platforms. The Group has amassed 46m followers across its 37 brands with healthy traffic growth. We project FOODIE to register core net earnings of RM13.8m and RM17.1m for FY26F and FY27F. BUY with a fair value of RM0.39, premised on 25x PER (20% premium to Bursa Media Index) over FY26F EPS, underpinned by its strong revenue growth across portfolio, live commerce expansion, and its market leadership within the digital media space.

FOODIE's 4QFY25 results delivered a net profit of RM420k after accounting for RM1.5m in one-off listing expenses. Looking ahead, we expect margins to expand steadily as the enlarged workforce lifts output capacity as operational efficiency kick in.

We anticipate higher contributions from short-film drama production from FY26 onwards, as the Group sees rising demand from this segment and building a full in-house production team, ensuring (i) greater control over scripts and timelines, and (ii) secure better margins rather than outsource to 3rd party creators. The Group expect short-film drama margins to gradually improve to 40% thus aiming to secure larger film volumes to support a long-term monetisation pipeline.

Live commerce segment remains a fast-growing segment in Malaysia. As such, FOODIE plans to set up 30 live-streaming rooms and expand its team by hiring 47 new live hosts and co-hosts. We believe these efforts would significantly boost streaming hours, broaden product mix, and improve conversion rates with a minimum daily streaming hours to capture customers across different time segments.

Visit Malaysia 2026 acts as a positive catalyst for FOODIE as tourism-driven activity will lift demand for digital content, KOL marketing and live commerce. Brands typically raise advertising budgets ahead of national tourism campaigns hence positioning FOODIE for even stronger revenue momentum into FY26–27. In line with this, bulk of its IPO proceeds is allocated to workforce expansion to support its digital publishing, KOL marketing and campaign management operations.

FOODIE's financial position remains healthy with a net cash balance sheet. The Group has a dividend policy of distributing at least 40% of net profit and has historically distributed more than 65% over the last three financial years, reflecting strong commitment to shareholder returns.

KLCI	1,617.46
YTD FBM KLCI change	-1.51%
YTD FBM SC Index change	-11.54%

Stock Information

Market Cap Upon Listing (RM'm)	266.40
Enlarged Share Capital (m)	888.00
Shariah Compliant	No

IPO Proceeds (RM'm)

Recruitment of workforce	23.10
Purchase and renovation of live streaming building	7.00
Purchase of equipment for expansion and upgrading existing equipment	1.50
Subscription in software solutions integrated with AI functionality	0.70
Working capital	4.50
Estimated listing expenses	4.6
Total	**41.40**

Major Shareholders

Pinn Yang	21.8%
Rui Mei	15.1%
Pinn Jian	14.3%
Loo Woi Lip	8.4%

Summary Earnings Table

FY Aug (RM'm)	2024A	2025A	2026F	2027F
Revenue	24.0	37.1	50.1	64.4
EBIT	10.5	13.6	20.0	24.8
Pretax profit	10.6	13.6	20.0	24.8
PATAMI	**7.5**	**9.3**	**13.8**	**17.1**
Core PATAMI	**7.5**	**9.3**	**13.8**	**17.1**
Consensus	-	-	-	-
Core EPS (sen)	0.8	1.1	1.6	1.9
EPS growth (%)	22%	25%	48%	24%
DPS (sen)	0.7	0.8	0.7	0.9
PER (x)	35.6	28.6	19.3	15.6
BV/Share (RM)	0.01	0.03	0.05	0.07
ROE (%)	70.5%	70.4%	53.7%	42.3%
Div. Yield (%)	2.3%	2.7%	2.3%	2.9%

Sources: Prospectus, Rakuten Trade Research

COMMPANY	Definition
Buy	The stock return is expected to exceed the KLCI benchmark by more than 10% over the next 6-12 months.
Trading Buy	Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 10% over the next 3-6 months. Trading Buy is generally for investors who are willing to take on higher risks.
Take profit	The stock return previously recommended has gained by >10%
Hold	The stock return is expected to be in line with the KLCI benchmark (+/- 5%) over the next 6-12 months.
Sell	The stock return is expected to underperform the KLCI benchmark by more than 10% over the next 6-12 months.
SECTOR	
Overweight	Industry expected to outperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Neutral	Industry expected to perform in-line with the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Underweight	Industry expected to underperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.

Scoring model:

The in-house scoring model is derived from Rakuten Trade Research valuation matrix based on earnings growth, earnings visibility, business model, valuation, balance sheet, technical analysis, and shareholder value creation. Each parameter is given a specific weighting.

All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

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